## Message Text

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CONFIDENTIAL SECTION 1 OF 2 USNATO 4032

E.O. 11652: GDS

TAGS: ETEL MARR NATO

SUBJECT: NATO SATCOM GROUND TERMINAL (SGT) IN ICELAND

REF: A. STATE 010501 B. STATE 080789

BEGIN SUMMARY.

A NATO-ONLY WORKING GROUP MET ON JULY 23, 1975 TO DEVELOP A "POSSIBLE"

NATO POSITION ON THE TERMS UNDER WHICH THE US OFFERED TO MAN AND OPERATE THE NATO SGT IN ICELAND. THIS GROUP CONCLUDED THAT THE US WOULD BE THE PRINCIPAL USER OF THIS SGT AND THEREFORE SHOULD SHARE CONFIDENTIAL

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CAPITAL COSTS WITH NATO AND SHOULD PROVIDE ITS OWN TAIL CIRCUITS. WE HAVE LEARNED INFORMALLY THAT NATO FEARS THE PRECEDENT THE US PROPOSAL WOULD SET AND EXPECTS TO NEGOTIATE A COMPROMISE BETWEEN PRESENT EXTREME POSITIONS. WE QUOTE FULL TEXT OF WORKING

GROUP'S POSITION, NOTING THAT IT CALLS FOR A MEETING BETWEEN US AND NATO REPS. SINCE ISSUES ARE LARGELY RELATED TO INFRASTRUCTURE RULES AND PRECEDENT, WE BELIEVE USNATO CAN EFFECTIVELY REPRESENT US. REQUEST GUIDANCE. END SUMMARY.

1. US AND NATO TECHNICAL REPRESENTATIVES MET IN WASHINGTON ON MAY 14-16, 1975 TO BEGIN PRELIMINARY NEGOTIATIONS ON US MANNING OF THE NATO SGT IN ICELAND. THIS GROUP DEVELOPED A DRAFT MEMORANDUM OF UNDERSTANDING (MOU) WHICH INCORPORATES AND ELABORATES ON THE CONDITIONS THE US SPECIFIED IN REFS A AND B.

2. ON JULY 23, 1975 REPRESENTATIVES OF THE NATO INTERNATIONAL STAFF (NIS), THE INTERNATIONAL MILITARY STAFF, THE MAJOR NATO COMMANDERS, AND NICSMA MET TO DEVELOP A "POSSIBLE" NATO POSITION ON THE DRAFT MOU. INFLUENCED LARGELY BY THE NIS INFRASTRUCTURE SECTION REP (CIONI), THE WORKING GROUP CONCLUDED THAT THE US IS

THE PRINCIPAL USER OF THE ICELAND SGT (26 US CIRCUITS COMPARED TO 17 NATO CIRCUITS) AND THEREFORE SHOULD SHARE CAPITAL COSTS AND SHOULD PROVIDE ITS OWN TAIL CIRCUITS. THE FULL TEXT (LESS ANNEXES) OF THE WORKING GROUP POSITION PAPER, NICSMA/MR(75)10, FOLLOWS:

BEGIN QUOTE

ARRANGEMENTS FOR ESTABLISHMENT OF NATO SGT IN ICELAND

THIS SUBJECT WAS DISCUSSED AT A WORKING GROUP MEETING HELD ON 23 JULY UNDER NICSMA CHAIRMANSHIP. THE COMPOSITION OF THE WORKING GROUP, WHICH INCLUDED REPRESENTATIVES FROM THE MNCS, FROM THE INTERNATIONAL STAFF AND FROM THE INTERNATIONAL MILITARY STAFF IS SHOWN AT ANNEX "A".

2. THE OBJECT OF THE MEETING WAS TO DISCUSS POSSIBLE NATO REACTION TO THE OFFER PUT FORWARD BY THE UNITED STATES AUTHORITIES COVERING THE ESTABLISHMENT OF A NATO SGT IN ICELAND. THE TERMS OF THIS OFFER WERE SET OUT IN THE LETTER CONFIDENTIAL

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ADDRESSED TO THE CHAIRMAN OF THE NJCEC BY THE DEFENCE ADVISOR OF THE US MISSION TO NATO DATED 17 JANUARY 1975 (COPY ATTACHED AT ANNEX "B") AND WERE FURTHER ELABORATED IN THE DRAFT "MEMORANDUM OF UNDERSTANDING" CIRCULATED SEPARATELY TO ALL CONCERNED.

3. AS A RESULT OF DISCUSSION, THE WORKING GROUP AGREED THAT, FROM A NATO VIEWPOINT, THE ARRANGEMENTS COVERING THE ICELAND SGT SHOULD BE BASED UPON THE FOLLOWING GENERAL PRINCIPLES:

(A) THERE ARE ALREADY AGREED PROCEDURES FOR THE SHARED USE OF NATO FACILITIES AND THESE SHOULD

FORM THE FUNDAMENTAL BASIS OF ANY AGREEMENT COVERING THE ICELAND SGT. THESE PROCEDURES ARE CONTAINED IN THE FOLLOWING NATO DOCUMENTS:

- (1) DPC(74)2 COVERING THE POLICY FOR THE USE OF NATO AND NATIONAL COMMUNICATIONS FACILITIES FOR DEFENCE PURPOSES.
- (2) CM(53)18 COVERING THE BUDGETARY PROCEDURES FOR NATO INFRASTRUCTURE PROJECTS.
- (B) THUS IN ACCORDANCE WITH EXISTING INFRASTRUCTURE PRACTICES THE COSTS INVOLVED IN MEETING THE US NATIONAL AND NATO REQUIREMENTS ARISING FROM THE ESTABLISHMENT OF THE SATCOM III GROUND TERMINAL IN ICELAND SHOULD IN PRINCIPLE, BE SHARED AS FOLLOWS:
- (I) THE CAPITAL AND INSTALLATION COSTS OF THE SGT SHOULD BE SHARED BETWEEN THE US AND NATO ACCORDING TO THE CAPACITY WHICH EACH OF THE PRINCIPAL USERS REQUIRED; THUS ON THE BASIS THAT THE US AUTHORITIES HAVE A REQUIREMENT FOR 26 CIRCUITS AND NATO REQUIRED 17 CIRCUITS, THE COSTS SHOULD BE SHARED ON THE BASIS OF 60 PERCENT US AND 40 PERCENT NATO.
- (II) THE COSTS OF ESTABLISHING THE REQUIRED LOS CONFIDENTIAL

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LINK BETWEEN THE SGT AND THE MAIN
COMMUNICATION CENTRE (BUILDING NO 839)
ON THE US BASE IN ICELAND SHOULD BE SHARED
ACCORDING TO THE SAME FORMULA AS IN (I) ABOVE.

(III) THE COSTS OF PROVIDING THE ADDITIONAL EQUIPMENT (PRIMARILY MULTIPLEX EQUIPMENT AND UP-AND-DOWN CONVERTORS) AT THE THREE EXISTING SATCOM II TERMINALS (AT NORFOLK, OAKHANGER AND EUSKIRCHEN), IN ORDER TO PROVIDE THE REQUIRED INTER-CONNECTIVITY FOR US NATIONAL USE, SHOULD BE BORNE BY THE US.

(IV) THE COST OF PROVIDING THE NECESSARY TERRESTRIAL TAIL LINKS FROM THE THREE

EXISTING SGTS TO THE PRESCRIBED US USERS SHOULD BE MET BY THE US AUTHORITIES-EITHER ON AND "ADD-ON" BASIS IF THE LINKS ARE PROVIDED THROUGH EXISTING NATO PROVIDED TRANSMISSION MEDIA, OR ON A PRO-RATA COST-SHARING BASIS IF SUCH LINKS ARE TO BE

PROVIDED IN NEW LINE-OF-SIGHT FACILITIES TO BE ESTABLISHED BY NATO (THE LATTER ARE ENVISAGED FOR THE TERMINALS IN THE US AND IN THE UK).

(C) IN ACCORDANCE WITH THE AGREED ARRANGEMENTS COVERING NATO SATCOM II GROUND TERMINALS:

(1) THE UNITED STATES AS BOTH THE PRINCIPAL USER, AND AS THE DE FACTO "TERRESTRIAL HOST NATION" SHOULD BE RESPONSIBLE FOR THE PROVISION OF MILITARY MANPOWER, ACCORDING TO THE AGREED NATO TABLE OF AUTHORIZED PERSONNEL (TAP), AND FOR THE FUNDING THEREOF, AS WELL AS FOR THE OPERATION AND MAINTENANCE OF THE STATION.

(2) NATO SHOULD COVER THE COST OF THE RESIDENT CIVILIAN ENGINEER.

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(3) NATO SHOULD PROVIDE THE COSTS OF SPARE PARTS AND OF ELECTIRCAL POWER CONSUMED AT THE TERMINAL.

(4) NATO SHULD PROVIDE A "LUMP-SUM" REIMBUSEMENT TO THE UNITED STATES FOR OTHER OPERATION AND MAINTENANCE COSTS.

HOWEVER, IT COULD PERHAPS BE ARGUED THAT BECAUSE OF THE US NATIONAL INTEREST IN THE ICELAND SGT, THE COSTS IN (2) (3) AND (4) ABOVE SHOULD BE SHARED.

(D) SYSTEM DIRECTION AND SUPPORT, AND OPERATING CONFIDENTIAL

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CONTROL FOR EACH ICELAND SGT SHOULD BE EFFECTED IN ACCORDANCE WITH THE TERMS OF DPC(74)25. THE US SHOULD BE REQUIRED TO ADHERE TO NATO AGREED OPERATING PROCEDURES FOR SATELLITE COMMUNICATIONS.

(E) ALL US INTERFACE EQUIPMENT SHOULD BE COMPATIBLE WITH THE NATO SATCOM III SYSTEM AND WITH NATO'S ASSOCIATED TERRESTRIAL LINKS.

- (F) ANY SPECIAL UNITED STATES EQUIPMENT REQUIRED AT EITHER THE ICELAND SGT OR AT THE THREE EXISTING SGTS SHOULD BE PROVIDED AND INSTALLED BY THE US AUTHORITIES (AND, WHEN NECESSARY REMOVED) AT NO COST TO NATO.
- 4. THE WORKING GROUP CONSIDERED THAT AT THIS STAGE NATO SHOULD MAKE AVAILABLE, WITHOUT COST, THE REQUIRED CAPACITY IN THE NATO SATCOM III SPCCE SEGMENT TO MEET THE US NATIONAL REQUIREMENTS, ON TERMS TO BE AGREED.
- 5. THE WORKING GROUP FURTHER CONSIDERED THAT AT THIS STAGE THE ARRANGEMENTS FOR THE REIMBURSEMENT TO THE UNITED STATES AUTHORITIES OF THE IN-ORBIT CONTROL COSTS SHOULD NOT BE AFFECTED.
- 6. FINALLY THE WORKING GROUP CONSIDERED THAT THE AGREEMENT TO BE REACHED WITH THE UNITED STATES AUTHROITIES SHOULD APPLY ONLY TO THE INITIAL REQUIREMENTS AS NOW STATED; ANY FUTURE MODIFICATIONS TO THE SYSTEM AND/OR CHANGES IN THE US NATIONAL REQUIRMENTS SHOULD BE THE SUBJECT OF AN UPDATED AGREEMENTS.
- 7. WITH REGARD TO THE NEXT STEPS TO BE TAKEN, THE WORKING GROUP AGREED THAT:
- (A) DG NICSMA SHOULD PRESENT THE CONCENSUS OF OPINION, AS REFLECTED IN PARAS. 3 THROUGH 6 ABOVE TO THE US AUTHORITIES VIA THE US MISSION TO NATO;

(B) AS SOON AS THE US AUTHORITIES ARE READY FOR CONFIDENTIAL

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FURTHER DISCUSSION THERE SHOULD BE A JOINT MEETING OF THE WORKING GROUP AND THE DESIGNATED US REPRESENTATIVES.

(C) AT AN APPROPRIATE MOMENT, TO BE DECIDED BY THE WORKING GROUP, IT WILL BE NECESSARY TO PUT EITHER THE PROPOSED AGREEMENT IN TOTO, OR PARTS THEREOF TO THE INFRASTRUCTURE AND MILITARY BUDGET COMMITTEES FOR THEIR CONSIDERATION BEFORE BEING SUBMITTED FOR FINAL APPROVAL. IN THE EVENT OF IRRECONCILABLE DISAGREEMENTS THE MATTER SHOULD BE PUT TO THE APPROPRIATE NATO COMMITTEE FOR RESOLUTION.

(D) THE MNCS SHALL BE INVOLVED AT ALL STAGES IN THE DEVELOPMENT OF ANY AGREEMENT; THIS INVOLVEMENT BEING NORMALLY ACHIEVED THROUGH PARTICIPATION IN THE WORING GROUP OR IN THE APPROPRIATE NATO COMMITTEES.

## END QUOTE

3. IN SUBSEQUENT DISCUSSIONS WITH VARIOUS NATO REPRESENTATIVES, WE HAVE LEARNED THAT THE WORKING GROUP CONSIDERS THE US PROPOSAL TO BE AN EXTREME POSITION. THEY THINK OF THEIR COUNTER-PROPOSALS AS AN EXTREME IN THE OTHER DIRECTION, THUS SETTING BOUNDS FOR NEGOTIATIONS. WE ALSO HAVE LEARNED THAT THE NIS HAS GREAT FEAR OF A PRECEDENT IF NATO ACCEPTS THE US POSITION. THIS FEAR IS THAT OTHER NATIONS (E.G., GREECE, ITALY, AND TURKEY) HOSTING TWO NATO SGTS WILL DEMAND CIRCUITS FOR NATIONAL USE BETWEEN THE TWO ON SIMILAR TERMS. NIS REPS RECOGNIZE THE UNIQUE SITUATION IN ICELAND BUT BELIEVE IT IS NOT SUFFICIENT TO DISSUADE THESE OTHER NATIONAL DEMANDS. SOME MEMBERS OF THE WORKING GROUP ADVISED US INFORMALLY THAT THEY BELIEVE NATO WOULD ACCEPT AN ARRANGEMENT IN WHICH THE US PAYS THE ADDITIONAL COSTS REQUIRED TO SATISFY THE US REQUIREMENTS (I.E., BUYS THE ADDITIONAL EQUP-MENT NECESSARY TO PROVIDE THE CIRCUITS WE WANT). WE SHALL SEND OUR DETAILED COMMENTS ON THE WORKING GROUP POSITION AFTER FURTHER STUDY.

4. IN PARA 7(B) OF THE QUOTED TEXT, THE WORKING GROUP PROPOSES CONFIDENTIAL

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A JOINT MEETING WITH US REPS AS A NEXT STEP. THE ISSUES RELATE MORE TO INFRASTRUCTURE AND FINANCIAL RULES AND PRECEDENT THA A TECHNICAL COMMUNICATIONS MATTERS. THEREFORE, WE

BELIEVE THAT USNATO CAN PROVIDE EFFECTIVE US REPRESENTATION.
REQUEST GUIDANCE.
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**USNMR SHAPE** 

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